

FISCAL NOTE

HB 604 - SB 1443

February 14, 2007

SUMMARY OF BILL: Incrementally reduces special allocations made to municipalities considered premier-type tourist resorts, by 20% each year until such special allocations are eliminated, beginning with FY07-08 and ending in FY11-12.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$12,000 - One-Time

Increase State Revenues - \$468,000 – FY07-08

\$1,549,000 – FY08-09

\$2,629,000 – FY09-10

\$3,707,000 – FY10-11

\$4,784,000 – FY11-12 and thereafter

Decrease Local Govt. Revenues - \$468,000 – FY07-08

\$1,549,000 – FY08-09

\$2,629,000 – FY09-10

\$3,707,000 – FY10-11

\$4,784,000 – FY11-12 and thereafter

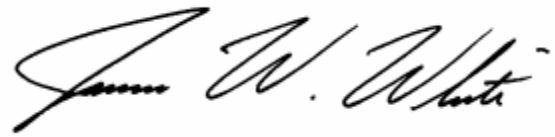
Assumptions:

- According to the Department of Revenue (DOR), Gatlinburg and Pigeon Forge are the only two cities meeting the definition of premier-type tourist resorts set forth in current statute.
- According to DOR, 20% annual reductions to the special allocations made to Gatlinburg and Pigeon Forge due to their elections to be premier-type tourist resorts is expected to simultaneously increase state revenues and decrease local government revenues by approximately \$468,000 in FY07-08, \$1,549,000 in FY08-09, \$2,629,000 in FY09-10, \$3,707,000 in FY10-11, and \$4,784,000 in FY11-12.
- Beginning in FY12-13, the special allocations for these premier-type tourist resorts would no longer occur.

- The increase to one-time state expenditures for computer and software enhancements is estimated to be \$12,000. According to DOR, these costs can be absorbed within existing resources.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director